oil prices. Government has adopted the principle of equitable burden sharing amongst three stakeholders, namely, the consumers, the PSU oil companies and the Government, to protect the interest of the common man and the vulnerable sections of society. In this context, Government has issued oil Bonds to the extent of Rs. 11,500 crore and Rs. 24,121 crore during the years 2005-06 and 2006-07 respectively to OMCs as part of compensation for the under recoveries incurred by them on domestic sale of sensitive petroleum products. Accordingly, the purpose sought to be served through Price Stabilization Fund is met through existing arrangements.

Gas source for Dadri Power Plant

1004. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact the RNRL has claimed that gas produced from RIL's D6 Block KG Basin gas reserve is its source for REL's proposed Dadri Power Plant in U.P.; and

(b) if so, what is Government's reaction in regard thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (b) Government is not a party to the agreement, if any, signed between RIL and RNRL. In terms of Production Sharing Contracts (PSCs) signed by the Government under NELP regime, the operators have freedom to market gas within India including U.P.

Cost sharing agreement for D6 block KG basin

1005. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the percentage of profit and capital as per cost sharing agreement signed between the private contractor and Government in D6 Block KG Basin;

(b) whether any increase in capital cost proposed by the private contractor result in proportionate increase in the profit being shared by Government; and

(c) if not, the reasons therefore?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) As per the terms of Production Sharing Contract (PSC), the capital required for exploration and development in the block is to be invested by the contractors and not by the Government.

Share of Profit to Government depends on investment multiple which is the ratio of cumulative net cash income of the contractor and cumulative exploratory and development investment. The Government share varies from 10% to 85% of the Profit Petroleum depending on the investment multiple.

(b) and (c) The total profitability of the project depends on a number of factors including capital cost, quantity of reserve and gas prices.

The capital cost estimated at the time of approval of development plan is only for assessment of commercial viability of the project. This therefore cannot be taken as criterion for calculation of profit to be shared with the Government, which will be based on actual cost incurred and as per audited figures.

Supply of gas to Pipavav Power Project

1006. SHRI KESHUBHAI S. PATEL:
SHRI KANJIBHAI PATEL:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Central Government had given commitment to State of Gujarat for supply of adequate quantity of gas for the Pipavav Power Project from Tapti gas fields;

(b) whether it is also a fact that the State Government of Gujarat has expressed its concern for not being able to implement the Pipavav Power Project because of non-supply of gas despite Centre's commitment in the past; and

(c) if so, the reasons for going back on its commitment which is leading to grave injustice to the Saurashtra region for whose development this power project is very crucial?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) On the request of State Goverment of Gujarat, an 'in principle' allocation of natural gas to the extent of 2.25 MMSCMD was made in June 2000 for the 650 MW gas based power project at Pipavav in Gujarat. This allocation was effective from 2003, subject to the condition that the Management Committee of the Tapti field takes investment decision for additional development of the field. The development plan for production of additional gas from the mid and South Tapti fields has been approved by the Management Committee of the field. The State Government has requested to supply natural gas to Pipavav Power Project. The Production Sharing Contract (PSC) signed between the Government of India and the Panna Mukta and Tapti (PMT) Joint Ventore (JV) provides for marketing of gas by the JV at market-related prices. The developers of the Pipavav Project have been advised to tie up with the JV for supply of gas from the projected additional production of PMT JV.

Indo-Bangladesh Gas Pipeline

1007. SHRI KALRAJ MISHRA:
SHRI SANTOSH BAGRODIA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the status of negotiations with Bangladesh on the Gas Pipeline in the North-East Region;